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**State of Utah**  
**DEPARTMENT OF NATURAL RESOURCES**  
**Division of Oil, Gas & Mining**

MICHAEL R. STYLER  
Executive Director

JOHN R. BAZA  
Division Director

Outgoing  
C0410002  
#3510  
Q

June 17, 2010

Ken May, General Manager  
Canyon Fuel Company, LLC  
597 South SR24  
Salina, Utah 84654

Subject: 2009 Annual Report Review, SUFCO Mine, C/041/0002, Task ID #3510, Outgoing File

Dear Mr. May:

The Division staff has completed the 2009 Annual Report Review. Enclosed is a copy of the review for SUFCO Mine, C/041/0002 completed on June 17, 2010.

Thank you for your diligence in completing the Annual Report. If you have any questions, please call me at (801) 538-5325.

Sincerely,

Daron R. Haddock  
Permit Supervisor

DRH/sqs  
Enclosure  
O:\041002.SUF\FINAL\reviewletter.doc

This Annual Report shows information the Division has for your mine. Please review the information to see if it is current. If the information needs to be updated please do so in this document. At the end of each section the operator is asked to verify if the information is correct. Please answer these questions and make all comments on this document. Submit the completed document and any additional information identified in the Appendices to the Division by April 30, 2010. During a complete inspection an inspector will check and verify the information. To enter text, click in the cell and type your response. You can use the tab key to move from one field to the next. To enter an X in a box, click next to the box, right click, and select properties, then the checked circle, then hit enter, or hit the unchecked circle if the X is to be removed.

## GENERAL INFORMATION

Permittee Name	Canyon Fuel Company, LLC
Mine Name	SUFCO Mine
Operator Name	
(If other than permittee)	
Permit Expiration Date	March 20, 2012
Permit Number	C/041/0002
Authorized Representative Title	Kenneth E. May, General Manager
Phone Number	(435) 286-4400
Fax Number	(435) 286-4499
E-mail Address	kmay@archcoal.com or lroberts@archcoal.com
Mailing Address	597 South SR24, Salina, Utah 84654
Designated Representative	C.T. Corporation
Resident Agent	Corporation Trust Center
Resident Agent Mailing Address	1209 Orange Street, Wilmington, DE
Number of Binders Submitted	2

Operator, please update any incorrect information.

## IDENTIFICATION OF OTHER PERMITS

Identify other permits that are required in conjunction with mining and reclamation activities.

Permit Type	ID Number	Description	Expiration Date
MSHA Mine ID(s)	420089	Minesite	
	1211UT090008901	Waste Rock Disposal	
MSHA Impoundment(s)			
NPDES/UPDES Permit(s)	UT0022918	Minesite Sediment Pond Major Industrial	April 30, 2011
	UTR000576	Multi-Sector Storm Water Permit	December 31, 2011
PSD Permit(s) (Air)	DAQE-AN0665008-06	Minesite Air Quality Approval Order	
	BAQE-126-88	Waste Rock Disposal Air Quality Approval Order	
Other			

2009 ANNUAL REPORT			Page 2

Operator, please update any incorrect information.

## CERTIFIED REPORTS

**Operator Comments:**

**Inspector:**

Has the operator complied with this section? Yes ☒ No ☐

**Inspector Comments:**

Certified Reports:	Required		Included Included	or	DOGM file location Vol, Chapter, Page
	Yes	No			
Excess Spoil Piles	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
Refuse Piles	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		Certified Reports previously submitted
Impoundments	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		Certified Reports previously submitted
<b>Other</b>					
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		

**Operator Comments:**

**Inspector:**

Has the operator complied with this section? Yes ☒ No ☐

**Inspector Comments:** Reports have been submitted prior to the 2009 annual report and are on file at the Division.

## COMMITMENTS AND CONDITIONS

The Permittee is responsible for ensuring annual technical commitments in the MRP and conditions accepted with the permit are completed throughout the year. The Division has identified these commitments below and has provided space for you to report what you have done during the past year for each commitment. If the particular section is blank, no commitment has been identified and no response is required for this report. If additional written response is required, it should be filed under Appendix B to this report.

Soils R645-301-200

**Title: WASTE ROCK SAMPLING**

**Objective:** To document chemical characteristics of waste rock and protect surface and groundwater.

**Frequency:** Quarterly, during periods of deposition at the waste rock site.

**Status:** Quarterly sampling. Sampling frequency (# samples/volume or ton) not described. Sampling parameters not described, refer to Tables 3 and 8 in the Division's 2008 Soils and Overburden Handling Guide.

**Reports:** Annual reporting. Indicate frequency of sampling (# samples/volume or ton).

**Citation:** Vol. 3, Section 3.1.5, pg. 3-4.

**Operator:** Has this commitment been acted on this year?

Yes ☒ No ☐ Not required this year. ☐ If yes, comment;

**Operator Comments:** Results are included in Appendix B.

**Inspector:**

Has the operator complied with this commitment? Yes ☐ No ☐

**Inspector Comments:** Information submitted in Appendix B should be reviewed by the Division Soil Scientist.

**Soil Scientist Comments 6/7/2010:** Four grab samples were drawn from the waste rock site, one in each quarter of 2009. The number of samples per volume or ton was not reported. The laboratory conducting the analysis was not stated. The original laboratory reports were not provided. These issues/questions were discussed with L. Roberts on 6/7/2010 who stated that the Intermountain Laboratories (Sheridan WY) analyzed the samples and samples were taken once a quarter regardless of whether material was hauled. All material sampled in 2009 was from the 4<sup>th</sup> cell. Analysis of these 4<sup>th</sup> cell grab samples indicate pockets of extreme SAR, extreme pH and high Boron in the waste.

The quarterly inspection reports for 2009 are on file in the 2009 Incoming folder as documents 0008.pdf, 0025.pdf, 0047.pdf, and 0060.pdf. The 3<sup>rd</sup> Quarter report states "The base of the 5<sup>th</sup> cell has been started. The 4<sup>th</sup> cell is mostly complete." The 4<sup>th</sup> Quarter report says, "Completing the construction of the new lift. Also topsoil on top of present lift. (30 - 35" topsoil)." These conditions were also documented in Inspection Report #2210.

Mr. Roberts also indicated that material hauled to the 5<sup>th</sup> cell in 2010 includes alluvium from Spring Canyon removed during construction of the sediment pond.

Biology R645-301-300

**Title: RAPTOR SURVEYS**

**Objective:** To determine if there are nest sites or active nest sites and the number of juveniles present within ½ mile of surface mining activities or areas that may be impacted by subsidence.

**Frequency:** Annually.

**Status:** Ongoing.

**Reports:** Annual.

**Citation:** Volume 1, chapter 3, page 3-9.

**Operator:** Has this commitment been acted on this year?

Yes ☒ No ☐ Not required this year. ☐ If yes, comment;

**Operator Comments:** Survey report is included in confidential file

**Inspector:**

Has the operator complied with this commitment? Yes ☒ No ☐

**Inspector Comments:**

Tetra tech conducted the annual raptor surveys for SUFCO in 2009. The Northern Goshawk vocalization survey was conducted on June 4<sup>th</sup> and June 25<sup>th</sup>, 2009 over the subsidence area. No Northern Goshawks or nests were identified in the potential habitat surveyed. A perched golden eagle was spotted, but no nest was found. According to the DWR raptor data, no raptor nests are located within the subsidence area. A sage grouse survey was conducted at the Wild Cat Knolls lek and other special status species were inventoried. The lek is located south of the subsidence zone and should not be affected by subsidence. No sage grouse or nesting areas were identified in the survey area.

**Title: PINES TRACT VEGETATION STUDY**

**Objective:** To determine if longwall mining in the Pines Tract would potentially impact the Link Canyon Trail Columbine. The survey will include the portions of Box Canyon.

**Frequency:** Annually.

**Status:** Ongoing.

**Reports:** Annual.

**Citation:** Volume 1, chapter 3, page 3-45A.

**Operator:** Has this commitment been acted on this year?

Yes ☒ No ☐ Not required this year. ☐ If yes, comment;

**Operator Comments:** Report is included in Appendix B

**Inspector:**

Has the operator complied with this commitment? Yes ☒ No ☐

**Inspector Comments:** Keith Zobell conducted and prepared The Pines Tract Vegetation Study in July of 2009. The purpose of the study was to determine if undermining the Pines Tract as had an affect on the Link Canyon Trail Columbine or the riparian area. Mr. Zobell concluded that heavy grazing and below average precipitation has contributed to a low overall growth and vigor of the columbine and riparian plants.

**Title: LINK CANYON PORTAL VEGETATION STUDY**

**Objective:** To determine if there are any impacts to the vegetation surrounding the portal area.

**Frequency:** Annually, June, September and November.

**Status:** Ongoing.

**Reports:** Annual.

**Citation:** Annual report.

**Operator:** Has this commitment been acted on this year?

Yes ☒ No ☐ Not required this year. ☐ If yes, comment;

**Operator Comments:** Report is included in Appendix B

**Inspector:**

Has the operator complied with this commitment? Yes ☒ No ☐

**Inspector Comments:** Kieth Zobell conducted and prepared The Link Canyon Mine Portal Vegetation Study in June, September and November of 2009. The Portal has not discharged water in 2008 or 2009. The precipitation is below average and the vegetation growth and vigor was estimated at fair.

Landuse, Cultural Resources, Air Quality R645-301- 400

**Title: CULTURAL RESOURCES**

**Objective:** If during the course of mining operations, previously unidentified cultural resources are discovered, the Permittee shall ensure that the site(s) is not disturbed and shall notify the Division of Oil, Gas, and Mining. The Division, after coordination with OSM, shall inform the Permittee of necessary actions required. The Permittee shall implement the mitigation measures required by the Division within the time frame specified by the Division.

**Frequency:** As needed.

**Status:** Ongoing.

**Reports:** Annual.

**Citation:** Permit Condition Sec. 16.

**Operator:** Has this commitment been acted on this year?

Yes ☐ No ☐ Not required this year. ☒ If yes, comment;

**Operator Comments:** No previously unidentified cultural resources were discovered during mining operations in 2009

**Inspector:**

Has the operator complied with this commitment? Yes ☒ No ☐

**Inspector Comments:** No additional cultural resources discovered during 2009.

Engineering R645-301-500

**Title: SUBSIDENCE MONITORING****Objective:** Document the amount of subsidence that has occurred.**Frequency:** Annual.**Status:** On going.**Reports:** Annual report.**Citation:** p 5-29.**Operator:** Has this commitment been acted on this year?Yes ☒ No ☐ Not required this year. ☐ If yes, comment;**Operator Comments:** Report is included in Appendix B**Inspector:**Has the operator complied with this commitment? Yes ☒ No ☐**Inspector Comments:** The subsidence monitoring consists of a report that provides historical data and information. Climatological information is included with the report and a map that shows the subsidence effects by different colored contours to depict the different depths. The map shows the mine workings which allows one to draw the proper conclusions in the effects are mining related**Title: MEASURE CRACKS.****Objective:** Measure cracks in the West Fork of Box Canyon.**Frequency:** Annually.**Status:** On going.**Reports:** Annual.**Citation:** P5-30.**Operator:** Has this commitment been acted on this year?Yes ☐ No ☒ Not required this year. ☒ If yes, comment;**Operator Comments:**

As stated on P5-30 of the M&amp;RP this commitment was completed in 2008 and no further monitoring will take place.

**Inspector:**Has the operator complied with this commitment? Yes ☒ No ☐**Inspector Comments:** Commitment met in 2008.

Geology R645-301-600

Hydrology R645-301-700

**Title: Climatological Data****Objective:** Collect climatological data to aid in determining effect of mining on runoff, stream flow, and local springs.**Frequency:** Annually.**Status:** Ongoing.**Reports:** Annual.**Citation:** Volume 2, P 7-51E.**Operator:** Has this commitment been acted on this year?Yes ☒ No ☐ Not required this year. ☐ If yes, comment;**Operator Comments:** Date included in Appendix B**Inspector:**Has the operator complied with this commitment? Yes ☒ No ☐**Inspector Comments:** Included in the subsidence monitoring report.

Bonding &amp; Insurance R645-301-800

**Other Commitments**

\*Reminder: If equipment has been abandoned during 2009, an amendment must be submitted that includes a map showing its location, a description of what was abandoned, whether there were any hazardous or toxic materials and any revision to the PHC as necessary.

**REPORTING OF OTHER TECHNICAL DATA**

List other technical data and information as required under the approved plan, which must be periodically submitted to the Division. Specify whether the information is included as Appendix B to this report or currently on file with the Division.

**Operator Comments:** No other technical data to submit this year.**Inspector:**Has the operator complied with this section? Yes ☐ No ☐**Inspector Comments****LEGAL, FINANCIAL, COMPLIANCE AND RELATED INFORMATION**

Change in administration or corporate structure can often bring about necessary changes to information found in the mining and reclamation plan. The Division is Requesting that each Permittee review and update the legal, financial, compliance and related information in the plan as part of the annual report. Please provide the Department of Commerce, Annual Report of Officers, or other equivalent information as necessary to



ensure that the information provided in the plan is current. Provide any other change as necessary regarding land ownership, lease acquisitions, legal results from appeals of violations, or other changes as necessary to update information required in the mining and reclamation plan. Include certified financial statements, audits or worksheets, which may be required to meet bonding requirements. Specify whether the information is currently on file with the Division or included as Appendix C to the report.

Legal / Financial Update	Required		Included or Included	DOGM File location Vol, Chapter, Page
	Yes	No		
Department of Commerce, Annual Report Officers	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Submitted in Canyon Fuel General Chapter One Appendix 1-1
Other				
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

#### Operator Comments:

#### Inspector:

Has the operator complied with this section? Yes ☒ No ☐

**Inspector Comments:** On file at the Division.

#### MINE MAPS

Copies of mine maps, current and up-to-date through at least December 31, 2009, are to be provided to the Division as Appendix D to this report in accordance with the requirements of R 645-301-525.240. The map copies shall be made in accordance with 30 CFR 75.1200 as required by MSHA. Mine maps are not considered confidential. (Please provide a CD.)

Confidential information is limited to:

R645-300-124.310. Information that pertains only to the analysis of the chemical and physical properties of the coal to be mined, except information on components of such coal which are potentially toxic in the environment.

R645-300-124.330. Information on the nature and location of archeological resources on public land and Indian land as required under the Archeological Resources Protection Act of 1979 (P. L. 96-95, 93 Stat. 721, 16 U.S.C. 470).

R645-301-322, Fish and Wildlife Information; R645-301-322.100, the scope and level of detail for such information will be determined by the Division in consultation with state and federal agencies with responsibilities for fish and wildlife and will be sufficient to design the protection and enhancement plan required under R645-301-333 and R645-301-322.230, other species or habitats identified through agency consultation as requiring special protection under state or federal law; R645-301-333.300, Include protective measures that will be used during the active mining phase of operation.

The Division will provide procedures, including notice and opportunity to be heard for persons both seeking and opposing disclosure.

Map Number(s)

Map Title/ Description

Annual subsidence map			
Mine map			
Other maps		<b>Confidential</b>	
		Yes	No
		<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>

Operator Comments:

Inspector:

Has the operator complied with this section? Yes ☒ No ☐

Inspector Comments: Mine map depicting future mining projects is included in the 2009 annual report.

Please provide any comments of further information to be included as part of the Annual Report. Any other attachments are to be provided as Appendix E to this report. If information is submitted as a group rather than by individual mine, please identify each of the mine's data in the list below.

**Yes** ☐

This image shows a single sheet of white paper with horizontal blue or grey ruling lines. The lines are evenly spaced and run across the width of the page. There is no handwriting or other markings on the paper.

**Inspector:**

Has the operator complied with this section? Yes ☒ No ☐

**Inspector Comments** No additional information submitted.

O:\AnnualReport\2009 Annual Reports\Active Mines\SUFCO Mine C0410002.doc

**APPENDIX A**

**Certified Reports**

Excess Spoil Piles  
Refuse Piles  
Impoundments

As required under R645-301-514

**CONTENTS**

None, reports previously submitted

**APPENDIX B**

**Reporting of Technical Data**

Including monitoring data, reports, maps, and other information  
As required under the approved plan or as required by the Division

In accordance with the requirement of R645-310-130 and R645-301-140

**CONTENTS**

Waste Rock Sampling Results 2009  
2009 Pines Tract Vegetation Study  
2009 Link Canyon Portal Vegetation Study  
2009 Subsidence Monitoring Report  
2009 Sufco Mine Climatological Data  
2009 East Fork Box Canyon Climatological Data

**APPENDIX C**

**Legal Financial, Compliance and Related Information**

Annual Report of Officers  
As submitted to the Utah Department of Commerce

Other change in ownership and control information  
As required under R645-301-110

**CONTENTS**

None, Submitted in Canyon Fuel Company, LLC General Chapter One, Appendix 1-1

**APPENDIX D**

**Mine Maps**

As required under R645-302-525-270

**CONTENTS**

2009 Sufco Subsidence Map  
LMU Mining Progress Map 2009-2010



**APPENDIX E**

**Other Information**

In accordance with the requirements of R645-301 and R645-302

**CONTENTS**

None